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The Bush administration’s draft bill to authorize a massive government intervention in the financial markets is short and to the punch: authorizing purchases of up to $700 billion in mortgage-related assets at any given time and giving the Treasury sweeping authority for at least two years to carry out the enterprise.

The bill increases the U.S. debt ceiling to $11.3 trillion to help accommodate the financing arrangement and sets two broad considerations for the use of the authority: stability in the financial market and “protecting the taxpayer.”

Sen. Charles Schumer (D-N.Y.) called the bill "a good foundation of a plan that can stabilize markets quickly," but complained that it includes "no visible protection for taxpayers or for homeowners."

"We look forward to talking to Treasury to see what, if anything, they have in mind in these two areas," he said in a statement.

The $700 billion cap for purchases is the clearest indication of the size of the commitment. At a news conference Friday, Treasury Secretary Henry Paulson spoke only in general terms of “hundreds of billions” of dollars.

All of the purchases would be limited to assets held by financial institutions headquartered in the U.S. And apart from the price tag, the bill is striking in the authority that would be vested in the Treasury Department.

Rather than create a separate entity, as some lawmakers have suggested, Paulson clearly feels that he can move faster alone and asks for power to issue such regulations as needed, appoint employees to carry out the authorities and designate “financial institutions as finance agents of the government.”

The secretary would have the authority to manage the mortgage-related assets purchased by the government and may “at any time, upon terms and conditions and at prices determined” by him “sell or enter into securities loans, repurchase transactions or other financial transactions” in regard to the purchased assets.

The hope remains that by reselling the assets when the housing and financial markets have recovered, the taxpayers’ exposure will be greatly reduced. And for this reason, the two-year sunset provision does not appear to apply to the department’s authority to hold onto assets after two years, and therefore better manage future sales.

It is possible that Congress could shorten the window for purchases still further to prompt banks to come forward faster with their bad debts. But learning from the experience of the Resolution Trust Corporation in the savings and loan crisis in the late 1980s and early '90s, there is general agreement that the government should have flexibility about selling.

Paulson enjoys good ties with many lawmakers, but he is also asking for tremendous power — and a rather delayed schedule of reporting back to Congress. For example, the first report to Congress is “within three months of the first exercise of the purchase authority.” That could mean almost Christmas.

Paulson and Federal Reserve Chairman Ben Bernanke are slated to appear before the House Financial Services Committee on Wednesday, and Paulson has promised to work with lawmakers over the weekend to “flesh out the details” of the proposal. But the whole process is extraordinary in that the administration wants such quick action on such a large commitment for taxpayers.

After a dramatic Capitol meeting Thursday night, Paulson and Bernanke won pledges of bipartisan support. And true to this commitment, House Majority Leader Steny Hoyer (D-Md.) predicted Friday the full House will vote by the end of next week.

At the White House, President Bush said Saturday morning it was “necessary to get something done quickly” and predicted that Congress would do so.

"Look, I'm sure there are some of my friends saying, 'I thought this guy was a market guy — what happened to him?'" Bush said. "Well, my first instinct wasn't to, you know, lay out a huge government plan. My first instinct was to let the market work, until I realized, being briefed by the experts of how significant this problem became. And so, I decided to act and act boldly.

“It turns out that there's a lot of interlinks through the financial system. The system had grown to a point where a lot of people were dependent upon each other and a collapse of one part of the system wouldn't just affect a part of the financial markets, it would affect ... capacity to borrow money, to buy a house or to finance a college loan. It'd affect the ability of a small business to get credit. In other words, the systemic risk was significant, and it required a significant response. And Congress understands that, and we'll work to get things done as quickly as possible.”

Mindful of the huge financial commitment, Hoyer and other Democrats have been careful to underscore the fact that the massive government intervention is very much a “Bush administration” plan that the president and Republicans must own up to politically. And playing to the left in her caucus, Speaker Nancy Pelosi (D-Calif.) ended a party conference call Friday with a strong attack on the administration’s economic record.

For Republicans, it may be even more complicated, since just days ago many conservatives were in revolt over the government’s intervention to shore up the ailing insurance giant AIG at a price tag of just $85 billion. And Paulson has had his own troubles with the House Republican leadership in the past.

But thus far, House Minority Leader John A. Boehner (R-Ohio) has been supportive, and the more interesting tensions have been between different factions on the right.

Rep. Jeb Hensarling, a Texas conservative with leadership ambitions, has been among those most outspoken, skirmishing with Paulson in a party conference phone call. “My fear is that taxpayers will be left with the mother of all debts, the federal government becomes the lender and guarantor of last resort, and our nation finds itself on the slippery slope to socialism,” Hensarling said Friday.

But other conservatives have tempered their remarks. "What's going on right now is an education process," said **Rep. John Campbell** (R-Calif.), who is typically outspoken. "We need to take dramatic, complete and immediate action."

Some bargaining is sure to ensue between now and the House hearing Wednesday, and Paulson is already facing warnings from Democrats that the legislation must also deal with some relief for homeowners faced with foreclosure on their mortgages.

Senate Banking Committee Chairman Chris Dodd pledged that the bill should not be a “Christmas tree” filled with amendments. But the Connecticut Democrat said the bill must address the instability in the housing markets that helped trigger Wall Street’s woes and “bring to closure the foreclosure problem.”

At his news conference Friday, Paulson said the funding must be “sufficiently large to have maximum impact" but he was convinced "that this bold approach will cost American families far less than the alternative — a continuing series of financial institution failures and frozen credit markets unable to fund economic expansion.